

EAST AYRSHIRE COUNCIL

IRVINE VALLEY LOCAL COMMITTEE – 24 MAY 2006

FUTURE COMMUNITY GRANT FUNDING OF CHRISTMAS LIGHT PROJECTS

Report by the Depute Chief Executive/Executive Director of Corporate Support

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present options with regard to the Committee's future planning in respect of the funding of Christmas Lights projects in the Irvine Valley.

2. BACKGROUND

- 2.1 The Irvine Valley Local Committee at its meeting held on 14 September 2005 (Item 10.1, page 1692, 03/07) received a report from the Administration Manager that the Principal Engineer, Lighting and General Services had advised that the Section, whilst still in a position to be able to erect/dismantle and maintain the existing stock of Christmas lights for identified community groups within East Ayrshire, would not, with current staff levels, be able to provide a cost effective service to communities in respect of any new Christmas Light Projects.
- 2.2 Having noted this information the Local Committee agreed to receive a full report in order to assist with planning in respect of future community grant funding of Christmas lights in the Irvine Valley. It was further agreed that this report should include a position statement outlining the existing stock of lights, and the revenue implications of maintaining this stock together with options available to groups for the installation/removal etc of their Christmas lights.

3. CURRENT POSITION – LIGHTING SECTION

- 3.1 Further to the position as advised at the Committee's September Meeting with regard to new Christmas Light Projects, the Principal Engineer has since advised of the following information:-
- In 2005, in addition to the works in Irvine Valley, lighting works were carried out for community groups in Muirkirk, Catrine, Sorn and Cumnock as well as for the Department of Neighbourhood Services in respect of the Kilmarnock lights;

- Community groups in Stewarton and Fenwick are expected to erect Christmas lights in 2006;
- The increase in the quantity of works in 2005 had caused operational difficulties and together with the need to carry out additional electrical testing throughout the summer, the Lighting Section propose to take on an additional electrician. This additional post would only partially funded by income from Christmas lighting, with the majority being funded by bringing in some works traditionally carried out previously by private contractors.

3.2 The proposed employment of this additional electrician means that the original point highlighted by the Principal Lighting Engineer would be addressed with regard to that Department's ability to provide a service which allows for further expansion of Christmas Lights Projects for communities in East Ayrshire.

3.3 Notwithstanding that it appears that this original matter will be addressed it should be noted that its discussion in itself prompted further deliberation at the Irvine Valley Local Committee Meeting in September 2005, leading to a decision to receive a full report on the Irvine Valley Christmas lights as detailed in paragraph 2.2, thereby allowing for future planning in respect of community grant funding of Christmas lights.

4. CURRENT POSITION – THE STOCK OF CHRISTMAS LIGHTS IN THE IRVINE VALLEY

4.1 The Local Committee over the past 4/5 years has supported applications from groups applying to build up on an incremental basis a stock of Christmas lights in each of the 4 main communities within the Irvine Valley, i.e.; Darvel, Newmilns, Galston and Hurlford & Crookedholm.

4.2 As well as supporting applications for the purchase of lights, the Local Committee has increasingly been receiving applications for the installation/dismantling, electricity, repair/testing and VAT costs for Christmas lights which were purchased through both community grant funding and external funding.

4.3 The amount of grants applied for over the last few years has varied between communities with some grants including elements of, or solely in respect of, revenue costs.

4.4 It has also been confirmed by groups which have received funding for lighting projects that some of the original stock of lights purchased as far back as 2000 is now obsolete or not fit for purpose.

4.5 Taking into account the points noted in Sections 4.3 and 4.4, rather than simply listing the dates and amounts of grants made by the Local Committee in the past, information is provided in the undernoted table which shows the stock of lights which each community now holds and wishes to display annually, together with the approximate installation/dismantling and electricity costs:-

4.6 2005 Costs

| Community | No of Panels held | Installation/ dismantling cost | Electricity cost - £8 per unit (approx) | VAT | Total |
|------------------------|--|--------------------------------------|--|---------------|---------------|
| Hurlford & Crookedholm | 20 (8 – Hurlford) and (12 – Crookedholm) | £1,420 | £160 | £276 | £1,856 |
| Galston | 16 | £1,040 | £128 | £204 | £1,372 |
| Newmilns & Greenholm | 11 | £715 | £88 | £140 | £943 |
| Darvel | 13 | £845 | £104 | £166 | £1,115 |
| | Total: 61 | | | Total: | £5,286 |

4.7 From the information provided in the above table, it can be seen that with regard to the existing stock of lights held, the revenue costs alone for the installation/dismantling, electricity and VAT for the 4 communities shown are in the region of some £5,300 per annum.

4.8 The actual amount of community grant funding provided by the Local Committee for financial year 05/06 which included the purchase of some new stock as well as supporting the existing programme of lights was £5,987.00.

5. FUTURE REVENUE IMPLICATIONS

5.1 The Principal Lighting Engineer reports that he intends to hold charges for both electricity and installation costs for 2006. However, 3% should be allowed per annum beyond that.

5.2 In addition to the installation and electricity costs detailed under paragraph 4.6, it should be noted that several of the applications supported by the Local Committee in 2005 also included elements of repair and testing costs.

- 5.3 The Principal Lighting Engineer advises that his section do not carry out any chargeable repair works for the fittings. Minor works are done free of charge whilst major refurbishments will be carried out by the manufacturer, and are arranged by the community groups themselves. It should also be noted that the stock held by the local groups varies in age, with some Panels new in 2005 ranging to other Panels which are already 5 years old.
- 5.4 In general terms, fittings require a major refurbishment every 3/4 years with this costing around 40% to 50% of the original purchase costs of the lights.

6. PRESENT SITUATION

- 6.1 Each of the main communities in the Irvine Valley now holds a stock of Christmas lights, much of which was purchased through community grant funding, for display each year.
- 6.2 Clearly there are costs associated with the maintenance/fitting and running costs of the existing lighting stock and based on applications received to date, it is likely that the Local Committee will continue to receive community grant applications towards the costs of displaying these lights annually.
- 6.3 Having now received for the first time, full information as to the year on year revenue costs associated with the existing Christmas lights projects, the Committee may now wish to consider its position in respect of the funding of any new Christmas lights projects.

7. FUTURE OPTIONS

- 7.1 Taking into account the information outlined above, the following 3 possible options are presented in terms of the Committee's future consideration of community grant applications for Christmas lights and associated costs.

Option 1 – Maintain the status-quo

The Committee could decide to simply continue to deal with applications as they have in the past, i.e., each application on its merits taking into account the budgetary position at the time, with the knowledge that applications for new Christmas lights could well have year-on-year revenue implications for the Committee.

Advantages

- This option continues to afford full flexibility to groups, who can put forward their applications as and when their projects develop.
- The Committee retains the flexibility to consider applications on an ad hoc basis, set against the budget available at any given time and the financial situation of the community group.

Disadvantages

- Any applications to add to the existing stock of lights held throughout the Irvine Valley (Capital costs) will be adding to a community's revenue costs, which costs have at least in part been borne by the Local Committee in recent years.

Option 2 – Support and Maintain the existing lighting stock

It can be seen from the information contained in Section 4.6, that the 4 main communities in the Irvine Valley (Darvel, Newmilns, Galston and Hurlford & Crookedholm) now hold a stock of quality lighting panels, for display each year.

If the Committee is happy that each community now has enough lights, it may wish to make a policy decision only to fund applications for the revenue and maintenance costs of existing lights as well as any applications received for the replacement of worn out lighting.

The Committee could build into this option the flexibility to allow for possible future applications for communities in the Irvine Valley which do not currently have lights – e.g. Moscow and Priestland. The Committee could determine therefore an optimum number of lights for these communities, if and when applications are received, and in line with the policy would not fund future applications to extend the lighting beyond this limit.

Advantages

- The Committee would have more control over the amount of the community grant budget spent on Christmas lights. Revenue costs for the existing lights would be fairly steady, with installation and energy costs rising at around 3% per annum.

- This option would allow the Committee to continue to deal with applications for repair and replacement costs, which will increase as the stock gets older. The full implications of major refurbishment are detailed at Section 5.4.

Disadvantages

- This option could be viewed as having less flexibility for groups, as they would be unable to obtain community grant funding for new Christmas lights projects.
- No such restrictions apply to any other areas funded through community grants.

Option 3 – Ring fence funding under “Christmas Lights” category

- The third option presented for consideration by the Local Committee is to earmark a set amount per financial year for each community which, through community grant applications, a community group could use as it wished, to put towards either capital or revenue costs. This option could be put in place by creating a new category of “Christmas lights” alongside or instead of those already being used by the Committee i.e. Disability (18%), Environmental and Heritage (18%), Leisure and Sport (18%), Older People (18%) and Miscellaneous (10%). This would of course mean adjustments would be required with regard to the percentages set against the existing categories.

For example, last financial year the Committee supported approximately £6,000 of Christmas lights funding which was in respect of new lights for Crookedholm, the remainder on revenue costs throughout the Irvine Valley (approximately 25% of the budget).

A figure of e.g. a maximum of £2,000 for each of the 4 identified communities per annum would thereby allow for installation/maintenance/refurbishment and replacement of existing stock, as well as a small element in respect of the purchase of new lights. This equates to just over 31% of the Local Committee's annual budget, however an off-setting reduction could be made in part in the Environmental & Heritage category which is the category currently used for Christmas light funding.

Should the Committee favour this option, it may wish to consider whether to set a closing date for Christmas lights applications thereby allowing for their consideration at for example the September meeting, this allowing groups plenty of time to put their projects in place. The Committee would then be able to return any unused portion of the ring fenced money to the general budget for future disbursement throughout the year.

If this option is selected, the community groups involved would have to be notified in good time of this new arrangement and it is suggested therefore that this option not be introduced until financial year 2007/2008.

Advantages

- The Local Committee would know at the start of each financial year that its “bill” for Christmas lights applications would not exceed the amount set.
- This method would not restrict communities to the current stock of lights held but would allow for a limited expansion. However, community groups would be aware that any application to increase existing stock of lights held, either to the Local Committee or to an external body would result in additional revenue costs which would not necessarily be accommodated through community grant funding, as a limit had been set.
- Groups would have the freedom to choose how they spent their allocation within the context of making applications for community grant funding, as normal.

Disadvantages

- Groups would be limited within a “set” amount of funding each year.
- Large scale applications for new lights could not be accommodated within this option.
- In selecting this option the Committee whilst “capping” its spend for the 4 identified communities might receive applications from other communities.
- This method would not allow for payments throughout the year in respect of unforeseen repairs etc.

7. FINANCIAL/LEGAL/POLICY IMPLICATIONS

- 7.1** Any of the proposals listed can be accommodated within the existing community grant budget.

8. COMMUNITY PLANNING IMPLICATIONS

- 8.1** The overall grants scheme to local voluntary organisations, supports the main themes of the community plan.

9. RECOMMENDATIONS

- 9.1** The Local Committee is asked to:-

- (i) consider whether it wishes to adopt any of the options as presented in Section 7, with regard to the Committee's future consideration of application for community grant funding for Christmas light projects;
- (ii) consider any other options which may be presented to the Committee; and
- (iii) otherwise to note the contents of the report.

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JM/DL
15 May 2006